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TAGS: [ASEC](#) [EAID](#) [MARR](#) [PREL](#) [KS](#) [AF](#)  
SUBJECT: ROKG RECONSTRUCTION ASSISTANCE IN AFGHANISTAN

Classified By: POL M/C Joseph Y. Yun. Reasons 1.4 (b,d).

¶1. (C) Summary. Officials of the Korea International Cooperation Agency (KOICA) provided Poloff with an overview of the Republic of Korea (ROK)'s official assistance to Afghanistan since 2002. KOICA provided USD 45 million of assistance from 2002-2004 and has pledged an additional USD 10 million through 2008. KOICA's overriding concern in Afghanistan is security, impacting both the nature and location of projects. Lack of local Afghan capacity further limits the long-term sustainability of completed KOICA projects. With concerns about security and local capacity and a diminishing budget, KOICA has planned few projects for 2007 and beyond. However, KOICA officials remain hopeful that the ROK will continue to play an important role in rebuilding Afghanistan. End Summary.

¶2. (SBU) Poloff met with Managing Director, Lee Soo-kwang, Director Roh Hyun-Jun, Team II Manager Kim Sang-chul, and Jung Young-san of KOICA's Office of Disaster Relief and Reconstruction. Kim and Roh have both previously served as the KOICA representative in Kabul, overseeing all aspects of KOICA assistance to Afghanistan. KOICA officials explained that KOICA's primary focus in Afghanistan is on infrastructure, primarily construction or renovation of facilities, and human resources development.

¶3. (C) KOICA officials repeatedly emphasized that the overriding concern in Afghanistan is security, which limits what type of projects can be accomplished and especially where KOICA feels it can operate in Afghanistan. For example, KOICA fields civilian medical personnel teams throughout the world, but they have not, and do not foresee, sending such a team to Afghanistan. Likewise, security is the determining factor as KOICA considers additional projects outside the greater Kabul area. Roh and Kim noted that the lack of staff willing to operate outside Kabul limits KOICA's ability to expand the scope and geographic range of projects. None of the KOICA officials interviewed could foresee additional, or less security-limited, personnel becoming available.

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KOICA Budget and Personnel  
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¶4. (SBU) KOICA's total overseas aid budget averages about USD 200 million per year. Each of the KOICA officials interviewed indicated that annual increases in KOICA's funding are planned, but also expressed concern that

shortfalls in the overall government budget could prevent larger aid budgets. Over the period 2002 to 2004, the ROKG contributed USD 45 million for KOICA reconstruction and aid projects in Afghanistan. At the London Ministerial Conference on Afghanistan in January 2006, the ROKG pledged an additional USD 20 million through 2008. Half of the additional commitment is earmarked for loans to the GOA and administered by the Korea Export-Import Bank, although the GOA has not yet accepted any loans. The remaining USD 10 million is slated for grants to be used by KOICA to provide follow-on funding for eight existing projects and one new project (a water supply and sewage system in the Qala-i-Numan region of Kabul).

¶5. (U) KOICA,s assistance to Afghanistan by year:

2003 USD 21.1 million  
2004 USD 17.4 million  
2005 USD 3.13 million  
2006 USD 3 million  
2007 USD 3 to 4 million (projected)  
2008 USD 3 to 4 million (projected)

¶6. (C) With a staff of 16, KOICA,s Office of Disaster Relief and Reconstruction in Seoul manages programs for Iraq, Afghanistan, the South Asian Tsunami, and earthquake relief projects in Pakistan and Yogyakarta, Indonesia. The Afghanistan program is run by a single KOICA representative in Kabul who oversees all aspects of in-country projects. Roh said that the strength of KOICA's projects in Afghanistan lies with its comparatively low administrative costs. In 2005, administrative costs were USD 110,000 out of USD 3.13 million in total assistance. KOICA is able to do this because it only has one full time staff working in a relatively secure area of the country, Roh and Kim concluded.

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KOICA Projects in Afghanistan - Through 2006 and Beyond  
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¶7. (C) Individual KOICA projects in Afghanistan have been implemented by KOICA-hired contractors, either Afghan or Korean. Roh explained that most Afghan companies lacked the capabilities to compete on the majority of KOICA construction projects to date. A handful of Korean companies, including Samhong Construction, have been used for most of the projects. Roh and Kim agreed that finding Korean companies willing to take on the projects has been a challenge due to the security situation in Afghanistan. According to Roh, those Korean companies that accepted contracts had hoped to stay on in Afghanistan, but they could not find additional projects and have now all returned to Korea. Despite this, Roh said he sees a small role for KOICA in facilitating future private sector involvement in Afghanistan, although security will remain the limiting factor. In addition to the construction sector, Roh believes there is a place for the Korean IT sector in Afghanistan.

¶8. (U) The KOICA projects undertaken in Afghanistan through 2006 are:

-- Renovation of IBNI SINA Hospital (2002-2004, USD 3.2 million)  
-- Establishment of Korea-Afghanistan Vocational Training Institute (2002-2005, USD 9.7 million)  
-- Establishment of a Computer Training Center (2003-2004, USD 9.9 million)  
-- Community-based rural development project (2003-2004, USD 4.2 million)  
-- School Construction Project in Parwan Province (2004-2005, USD 8.1 million)  
-- Establishment of IT Center at Kabul Polytechnic IT Center (2004-2005, USD 2 million)  
-- Construction of Istaliv Micro-hydro Power Plant (2004-2006, USD 2.9 million)  
-- Establishment of Civil Service Training Institute and training of 517 Afghan officials (2004-2006, USD 5.4 million)

¶9. (SBU) In 2007, KOICA plans to start construction of a water supply and sewage system in the Qala-i-Numan region of Kabul. In addition, KOICA has received proposals for 3 new Civil Service Initiative projects, two in Kabul and one in Mazar-e Sharif. KOICA is now considering these proposals and expects that if accepted, they could be implemented by the end of 2007. No other specific projects are planned for 2007 or beyond.

¶10. (C) Roh and Kim both cited frustration with the lack of local capacity, significant corruption in both the private and public sectors, and poor governance in Afghanistan, which significantly limits the effectiveness of KOICA's projects. KOICA's initial assistance plan was to go in, build facilities, train Afghan staff, and move on to new projects. They have found it difficult to do so, requiring that the majority of the additional USD 10 million grants over 2006-2008 be used to sustain earlier projects. For example, KOICA has built and equipped one hospital and eight health clinics in Kabul. The facilities are currently staffed with Afghan doctors and nurses, but are not self-sustaining due to limited or no government support, so KOICA is still supporting the hospital and three of the clinics. Nonetheless, all the KOICA officials interviewed remained hopeful, with Roh saying that KOICA would "no doubt have an important role to play" in Afghanistan in 2008 and beyond.

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